



Air Force Materiel

War Winning Capabilities ... On Time, On Cost

Command



Statement of Objectives (SOO) and Statement of Work (SOW)

**Module Lead:
OO-ALC/PKCA
September 2007**

***Integrity ~ Service ~
Excellence***



Course Overview

- **Length: 2 Hours**
- **Method of delivery: Slide Presentation**
- **Course contents:**
 - Familiarize trainees with the difference between Statement of Objectives and Statement of Work
 - Provide procedural guidance and resources
 - Summary of the seven steps to Performance Based Services
 - Information on how to write a good SOO and SOW



Overview

- **Definitions**
 - Statement of Work
 - Statement of Objectives
- **FAR Guidance**
- **Scope and Tailoring**
- **Data**
- **Service Summary Description**
- **Quiz**
- **Summary**
- **Performance Based Services - Backup Charts**
(Time Permitting)



Statement of Objectives- SOO

- **A SOO provides the basic, top level objectives of the acquisition.**
- **A SOO is a Government-prepared document incorporated into the solicitation that states the overall performance objectives. A SOO is used in a solicitation when the Government intends to provide maximum flexibility to each offeror to propose an innovative approach.**



SOO

- **The SOO is not retained as a compliance document after contract award. The contractor's SOW is the compliance document.**
- **SOO objectives are compatible with the User's requirements (ORD, MNS), program direction (PMD), and draft technical requirements (Preliminary system specification).**
- **When a offeror submits proposed performance standards in response to a SOO, we must evaluate them to ensure they meet the Government's needs.**



SOO Requirements

- **The SOO shall, at a minimum, include -**
 -
- **Purpose;**
- **Scope or mission;**
- **Period and place of performance;**
- **Background;**
- **Performance objectives, (required results); and**
- **Any operating constraints.**



Statement of Work (SOW)

- **Two basic types:**
- **MIL-HDBK-245D Handbook for Preparation of Statement of Work - For weapons systems and R&D, not geared for services.**
- **AFI 63-124 Performance-Based Service Acquisition- For services acquisitions.**



MIL-HDBK-245D Definition

- **The SOW defines (either directly or by reference to other documents) all (non-specification) performance requirements for contractor effort. The SOW should specify in clear, understandable terms the work to be done in developing the goods or services to be provided by a contractor.**
- **SOW must say if the acquisition is “mission essential”.**



AFI 63-124 Definition

- **Statement of Work - Means a performance-based description of the services required by a functional activity. A services SOW may also be termed a Performance Work Statement (PWS), Statement of Need (SON), Statement of Objectives (SOO), Technical Requirements Document (TRD), or work statement.**



MIL-HDBK-245D

- Defines the role and purpose of the SOW.
- Provides key concepts for the SOW writer.
- Discusses 5 types of SOW and the SOO.
- Provides the recommended approach to writing the SOW, with suggestions on format, language style, and ambiguous words/phrases to avoid. i.e. “as necessary”, “good working order”, “carefully performed”.
- “Do’s and Don’ts”



AFI 63-124

- **Sets forth management responsibilities for functionals.**
- **Provides services SOW format.**
- **Requires performance measurement (Service Summary).**
- **Requires quality assurance.**
- **Limits exceptions to the requirement for its use. All services above Simplified Acquisition Threshold use AFI 63-124, except those listed in FAR 37.102.**



Fundamental Concepts

- **SOW is the pivotal acquisition document.**
- **Sets forth contractor taskings.**
- **Key factor to determine contract type.**
- **Basis to establish CLINs, Section H provisions, CDRL, DD Form 254, etc.**
- **Key document for preparation of cost and technical proposals and the source selection.**



Fundamental Concepts

- **Clarity in defining SOW taskings;**
- **Provides for effective competition;**
- **Facilitates proposal preparation and negotiations;**
- **Establishes conclusive baseline to evaluate proposals; and**
- **Establishes the standard to gauge the contractor's performance.**



Fundamental Concepts

- **SOW writer must ensure there is no duplication of tasking requirements within the SOW and other parts of the contract.**
- **FAR clauses, Section H provisions, CDRL, DD Form 254, etc. also task the contractor.**
- **Be aware of these other parts of the contract and what they require the contractor to do.**

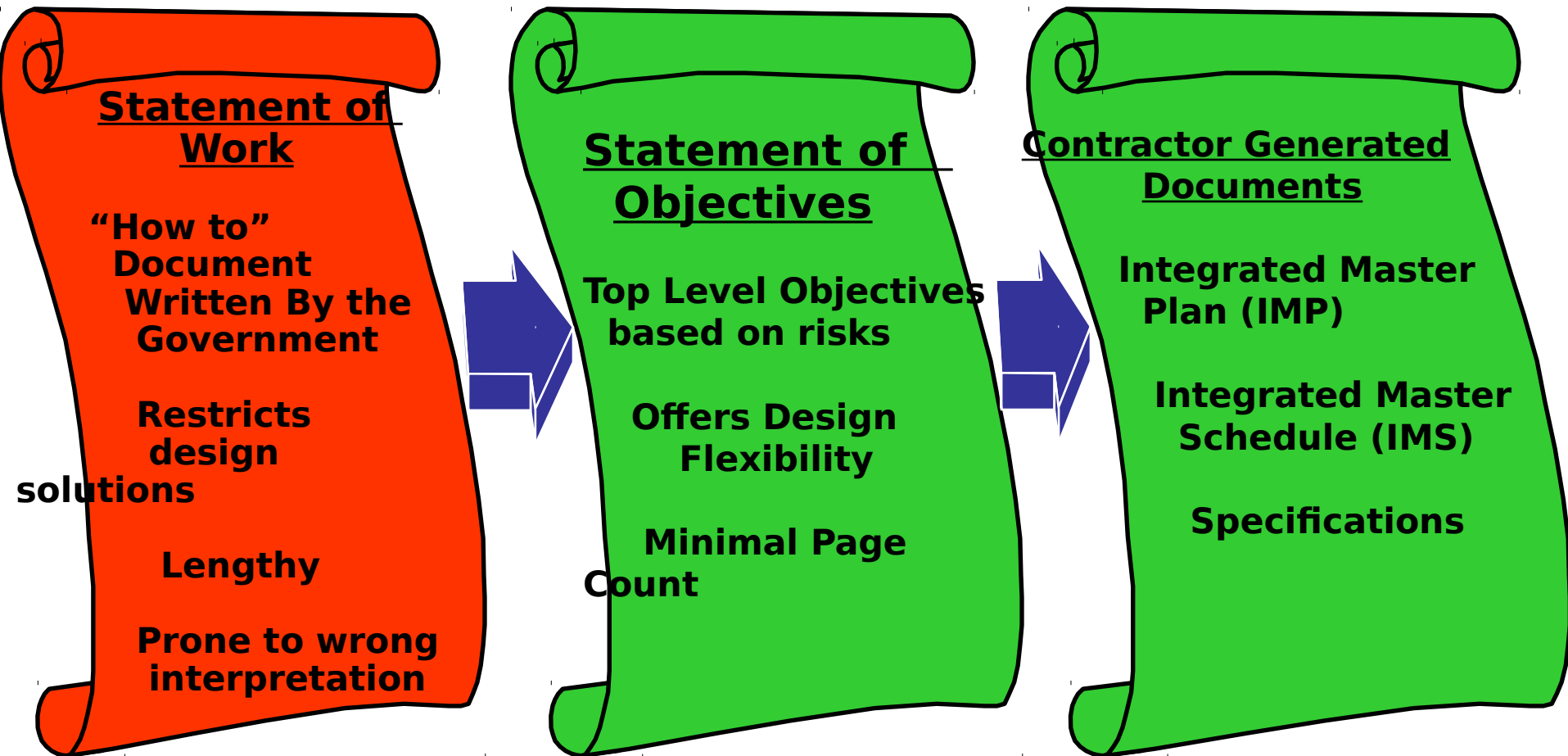


Fundamental Concepts

- **SOW taskings should be written using ordinary language. Avoid technical jargon.**
- **Avoid multiple interpretations.**
- **Use “shall” when performance is mandatory. “Will” only connotes intent.**
- **Use active voice, not passive voice.**
- **Convey direction, not suggestion.**



From Statements of Work to Statements of Objective





SCOPE

- **The SOW defines the “scope” of the contract. The Changes clauses allow us to make changes to the contract only if they are in the general scope. “Scope” is defined as a logical maturation of the requirements the Government and contractor could have foreseen from the SOW in existence at the time of contract award.**



SCOPE

- **Keep the scope broad enough to give you flexibility to make future revisions via the Changes clause.**
- **We cannot legally change a contract to add “new work” without doing a Justification and Approval (J&A) to add out of scope effort (new work) to a contract.**



Be Careful Regarding Scope

- **An overly broad, all encompassing SOW violates the Competition in Contracting Act (CICA).**
- **A SOW that is so broad that it does not reasonably describe the scope of the services needed does not give potential offerors notice of the work that will be within the scope of the resulting contract, and therefore does not comply with the CICA requirement for full and open competition.**



Scope

- **FAR 16.504(a)(4)(iii) requires solicitations for task order or delivery order contracts to include a SOW that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services in a manner that will enable a prospective offeror to decide whether to submit an offer.**
- **The SOW must describe the actual needs of the buying activity.**



Tailoring

- **Any specifications, standards, AFIs, etc. that the SOW taskings invoke should be tailored.**
- **“Tailoring” is deleting the parts of a spec, standard, AFI, Data Item Description, etc. that are not relevant to your acquisition.**
- **“Tailoring” is not adding to the existing document, or revising anything in it.**



SOW Tailoring Example

- **System Safety: The contractor shall perform system safety analysis, and document the results. The contractor shall accomplish system safety analysis in accordance with paragraphs 5.2, 5.3, 5.5, 5.6, and 5.9 of MIL-STD-882A. (CDRL Sequence No. 15)**



SOW and Data

- **Deliverable data is governed by Data Item Descriptions (DIDs), which establish the format and content requirements of the data we buy.**
- **Be certain the DIDs your DD Form 1423s cite are approved, current DIDs. Acquisition reform resulted in many DIDs being cancelled.**



SOW and Data

- **SOW taskings must not include the description and delivery requirements for data.**
- **DoD 5010.12-M “Procedures for Acquisition and Management of Technical Data” governs contracting for data.**
- **The SOW tasks the contractor to perform effort; deliverable data is the by-product.**



SOW and Data

- **Each deliverable data item must link to a tasking in the SOW which generates the effort which results in delivery of data. The SOW tasking paragraph goes in Block 5 of the DD Form 1423.**
- **The SOW tasking paragraph resulting in data delivery must cite either the CDRL Sequence No. or the applicable DID, or both, at the end of the tasking paragraph.**



Sample Data Tasking

- **The contractor shall plan for, accomplish, and document the results of semi-annual program status reviews, held alternately at the contractor's plant and [center name].**



MIL-HDBK-245D Format

- **Section 1- Scope:** Top-level discussion of overall objective(s) of the effort, defining the breadth and limitations of the effort. No taskings here!
- **Section 2 - Applicable Documents:** Lists specs and standards invoked in taskings.
- **Section 3 - Requirements/Taskings:** All the work effort the contractor must perform.



AFI 63-124 Format

- **Section 1: Specific Tasks**
- **Section 2: Service Summary**
- **Section 3: Government-Furnished Property and Services**
- **Section 4: General Information**
- **One or more appendices**
- **Mandatory format per AFI 63-124**



AFI 63-124 Format

- Appendices:
- 1: Definitions/Acronyms
- 2: Workload Data
- 3: Government Furnished Property
- 4: Reference Publications
- 5: Maps/Work Area Layouts
- 6: Reports/CDRL
- 7: Support Agreements
- 8: Contingency Requirements
- 9: Transition Plan



Performance Based Acquisition

- **Requirements are outcome based: “What” not “How”.**
- **Measurable requirements and quality standards: How do we tell if we received what was required?**
- **Contractors are empowered and incentivized to use commercial practices and innovation to achieve acquisition objectives.**



Paradigm Shift

- **Old way. i.e. Food Service: We used to specify personal hygiene, how many health exams, how often contractors did equipment and utensil cleaning, dining area cleaning, etc.**
- **PBA: Task contractor to comply with applicable FDA Food Code to result in a satisfactory or better rating after health inspections.**



Goals of PBA

- **Better prices and performance.**
- **Clear and definitive performance requirements.**
- **Flexibility in how the contractor performs, hopefully fewer contract modifications.**
- **Less surveillance required, focus is on outcomes, not processes.**
- **Contractor innovation, motivation.**
- **More closely mirrors commercial practices.**



Elements of PBA

- Requirements documents are outcome based, and they establish an acceptable quality level or maximum error rate where variation from performance standards is allowed;
- Performance standards are clear, consistent, unambiguous, and measurable; they establish “what, when, where, how many, and how well the work is performed”;
- Surveillance is consistent with industry practice.
- Incentives exist for improved performance.
- FAR 37.6 provides guidance.



FAR Guidance on SOW/PWS

- Define requirements in clear, concise language identifying specific work to be accomplished. Describe the work in terms of “what” versus “how” or the number of hours to be provided.
- Enable assessment of work performance against measurable performance standards.
- Rely on measurable performance standards and the effects of competition to encourage innovation and cost-effective methods of performance.



FAR Guidance

- When acquiring services, agencies must develop Quality Assurance Surveillance Plans (QASP) or Performance Plans. These plans must require contractors to accomplish their quality control obligations and shall contain measurable inspection and acceptance criteria corresponding to the performance standards in the SOW. The QASP must focus on the level of performance required by the SOW, not the methodology used by the contractor to perform.
- The SOW/PWS, QASP, and contractor incentives should be interdependent and cross-referenced.



Key Concepts for Services

- **The minimum acceptable performance standard should rarely be 100%; the performance standard directly affects the cost of the service.**
- **Do not require compliance with DoD or Air Force regulations unless absolutely necessary. (Safety, Security)**
- **SOW/PWS must not provide detailed management processes for contractors to follow.**



Services SOW/PWS

- **Every service operation is a system, comprised of input (people, materials, facilities), work (SOW taskings), and output (the service provided).**
- **Start with an Outcome Analysis, a step by step review of the requirement to arrive at the specific output of each service task and their associated standards of performance.**



Service Summary

- **The service summary must include your performance objective (the service required) and your performance threshold (the specific standard for the service).**
- **The service summary is the foundation for the services SOW.**



How it all plays together

- **Taxi Service:** The performance standard is “pickup within 5 minutes of agreed upon time”, the acceptable quality level is a 5% variation from the standard, meaning we expect taxi performance cannot be late less than 95% of the time, and if it falls below 95%, we deduct payments.



SOW Summary

- Exclude “how to” requirements.
- Set SOW objectives to match the Acquisition Plan.
- Explicitly define specs, standards, AFIs by specific paragraph.
- Exclude requirements which belong in a specification.
- Ensure taskings are consistent with each other.
- Don’t duplicate other parts of the contract.



SOW Summary

- **Don't order, describe, or discuss data deliverables in the taskings.**
- **Don't specify proposal evaluation criteria.**
- **Don't discuss delivery schedule in the SOW.**
- **Don't invoke Air Force or DoD regulations which do not apply to contractors.**



Where can I find more info?

- **The SAF/AQC Guides, Templates, & Samples has sample SOW/PWS for a variety of efforts:**

<https://www.safaq.hq.af.mil/contracting/restricted/index.cfm>

- **Performance-Based Services Acquisition:**
- **<http://www.safaq.hq.af.mil/contracting/toolkit/part37/pbsa.html>**



Where can I learn more?

- **Seven Steps to Performance-Based Services Acquisition:**

http://www.arnet.gov/comp/seven_steps/index.html

See backup slides for seven steps to Performance Based Services at the end of this module (time permitting).



Sources of Information

- DoD Directive 5000.1, DoDI 5000.2, and
Defense Acquisition Guidebook
<https://akss.dau.mil/dapc/index.aspx>
- CJCSI 3170.01E
<https://akss.dau.mil/dapc/index.aspx>
- Statement of Objectives Guide
<https://akss.dau.mil/Lists/Guidebooks%20%20Handbooks/S.aspx>
- Defense Standardization Program
http://www.dsp.dla.mil/APP_UIL/displayPage.aspx?action=content&contentid=66



Quiz

- **“Non-emergency items will not be stocked. These will be readily available on short notice.”**
- **“The contractor shall use the best commercial and military standards and practices to assure the final system is of the highest reasonable quality.”**



Quiz

- **“The contractor’s comments are requested regarding the appropriateness of the specifications and standards in this effort.”**
- **“The maintenance services include parts, factory overhaul, rehabilitation, transportation, and substitute equipment as necessary for a 95% effective performance level.”**



Quiz

- **“Support Equipment Plan: The contractor shall submit a SEP in accordance with DI-A-6102A. A draft of the SEP shall be submitted with the contractor’s response to the RFP, and updated in accordance with the CDRL.”**
- **“During the early phase of the design effort, after sufficient design documentation has been accomplished, the contractor shall schedule and host a Preliminary Design Review for the XXXXX system.”**



Summary

- **A SOO is a Government-prepared document and provides the basic, top level objectives of the acquisition.**
- **The SOW should specify in clear, understandable terms the work to be done in developing the goods or services to be provided by a contractor.**
- **Be aware of all parts of the contract and what they require - Clauses, Section H provisions, CDRs, make sure there's no conflicts or duplications.**
- **In performance based services the requirements are outcome based: "What" not "How".**
- **Do not require compliance with DoD or Air Force regulations unless absolutely necessary. (Safety, Security)**
- **See backup slides for the seven steps to**





Backup Slides

Seven Steps to Performance Based Services



How do I begin?

SEVEN STEPS TO PERFORMANCE-BASED SERVICES ACQUISITION

1 Establish the team.

2 Decide what problem needs solving.

3 Examine private-sector and public-sector solutions.

4 Develop a PWS or SOO.

5 Decide how to measure and manage performance.

6 Select the right contractor.

7 Manage performance.



***What do I need?
When do I need it?
How do I know if it's good when I
get it?***



Establish the Team

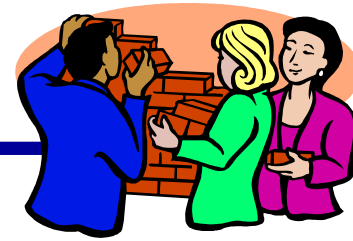
1 Establish the team.

- **Ensure senior management involvement and support.**
- **Tap multi-disciplinary expertise.**
- **Define roles and responsibilities.**
- **Develop rules of conduct.**
- **Empower team members.**
- **Identify stakeholders and nurture consensus.**
- **Develop and maintain the knowledge base over the project life.**
- **"Incent" the team**





Why a team?



“Moving toward Performance-Based Competency
The federal acquisition workforce has not, to date, fully embraced performance-based acquisition. There are many reasons, such as workload demands, but more fundamentally, traditional "acquisition think" is entrenched in a workforce of dwindling numbers. The situation is complicated by lack of "push" from the program offices who have the mission needs and who fund the acquisitions... *because there is where the true key to performance-based acquisition lies. It is not the procurement analyst, the contracting officer, or even the contracting office itself. Performance-based acquisition is a collective responsibility that involves representatives from budget, technical, contracting, logistics, legal, and program offices.*”

are acquisition requirements, not contracti

Seven Steps to Performance-Based Services Acquisition ORPP



The Multi-functional Team

- **The multi-functional team plans/manages the services contract throughout life of the requirement (AFI 63-124)**

- Strategy development
- Acquisition planning
- Market research
- Requirements and solicitation development
- Source selection
- Contract performance management



Provides expertise



Analyze/Define Requirements

2 Decide what problem needs solving.

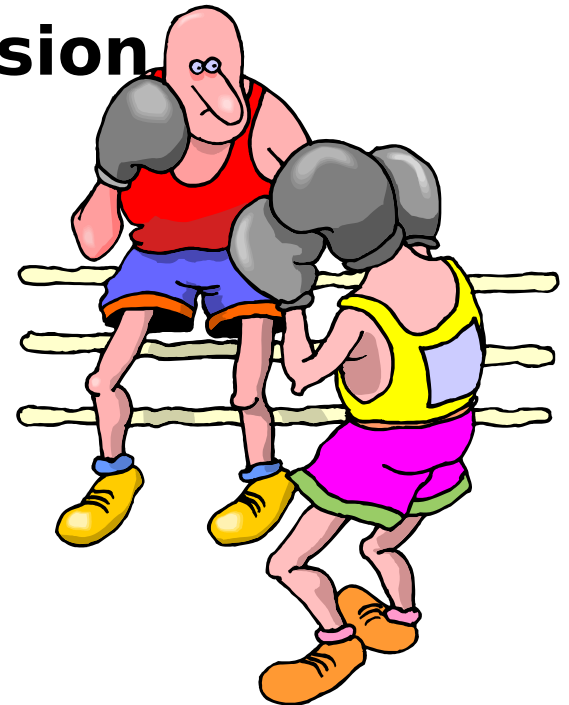
- Link acquisition to mission and performance objectives.
- Define (at a high level) desired results.
- Decide what constitutes success.
- Determine the current level of performance.





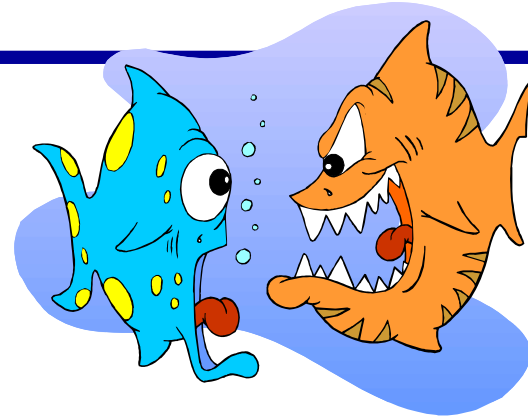
Is it a Service?

- **How do I know if I am buying a supply or service?**
- **Who makes the decision?**
- **How do I make that decision?**
- **Why is it important?**





Supplies vs. Services



- **Supply:**

“ Property except land or interest in land. It includes (but is not limited to) public works, buildings, and facilities; ships, floating equipment, and vessels of every character, type, and description, together with parts and accessories; aircraft and aircraft parts, accessories, and equipment; machine tools; and **the alteration or installation of any of the foregoing.**" FAR 2.101

...the alteration or installation of any of the foregoing. This is when the service is



Supplies vs. Services



- **Supply features:**

- It is a tangible item
- Can be repaired
NSN
- Can be maintained
- Can be overhauled
- Can be thrown away
- Can be held in-stock
- Can be bought using a
- Can be rebuilt
- Can be salvaged
- Can be depreciated

The Gov't accepts title



Supplies vs. Services



- **Services Definition:**

- A contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply (FAR 37.101)



CFTs

Sustaining
Engineering

CLS

ICS

A&AS

IV&V

Litigation Support

Depot Maintenance

Base Operating Support

Engineering Services



Supplies vs. Services



- **Service features:**

- We are buying effort/time/knowledge
- The result does not have to be successful
- Contractor is performing an identifiable task
- Can be personal or non-personal
- May be performed on an **end item** we OWN
- We are buying a solution
- There may not have a tangible **end item** as a deliverable
- Cannot be ordered by part number
- Cannot be duplicated identically



Supplies or Services?

- **Is it a supply or service?**
 - Advisory and Assistance Services (A&AS)
 - Studies and Analyses
 - R&D
 - Installation of computers
 - Construction
 - Technical Order (TO) Updates
 - Architect-Engineering
 - Overhaul
 - Remanufacturing
 - Contractor Logistics Support (CLS)
 - Contract Field Teams (CFT)
 - Sustaining Engineering





Services Myths - R&D Contracts



Myth: R&D is not a service.

Fact: There are only two major types of purchase—supplies and services. Research and development is a specialized type of service, just as construction, architect-engineering and contracted logistic support. of services. The Air Force Program Executive Officer for Combat & Mission Support (AFPEO/CM) has stated that R&D contracts more closely resemble services than supplies. We are working to clean up the language in the regulations so that this distinction is⁶² clear.

Service Myths -

Remanufacturing



Myth: Remanufacturing is a supply.

Fact: The regulation says is that when overhaul becomes remanufacturing it is subject to Walsh Healy Public Contracts Act, a different labor law and NOT SCA. It does not say that the classification as a service is changed. NOTE: Repair and maintenance under construction contracts are services and may be subject to the Davis-Bacon



Service Myths - Hybrid Contracts



Myth: If you pay more for supplies than services on a hybrid contract, the contract is a supply contract and vice versa.

Fact: Principal purpose is not determined by price nor percentage of work. It is determined by what the intent of the contract is. The term “intent” is a bit ambiguous—it’s not determined by cost or percentage of work. Rather, it is determined by what you most hope to accomplish by the



Service Myths - SCA



Myth: All service contracts are covered by the SCA.

Fact: The Service Contract Act was created to ensure that service employees are paid a fair wage. There are several services that are exempt from SCA, including (but, not limited to) maintenance and repair of certain types of equipment, services provided by professionals, construction, and work done in accordance with the Walsh-Healey Act. “Whether or not the [SCA] applies to a specific service contract will be determined by the definitions and exceptions given in the



Service Myths - Walsh-Healey



Myth: Items covered by Walsh-Healey Labor Law must be supplies

Fact: This statement is not found in the law and has led to the incorrect belief that items/effort covered by Walsh-Healey must be supplies. The law does not exclude materials, supplies, articles or equipment that are manufactured or furnished in the performance of a service contract (i.e., remanufacturing.) *Once again, the inclusion of a labor law does not determine if the contract is for a*



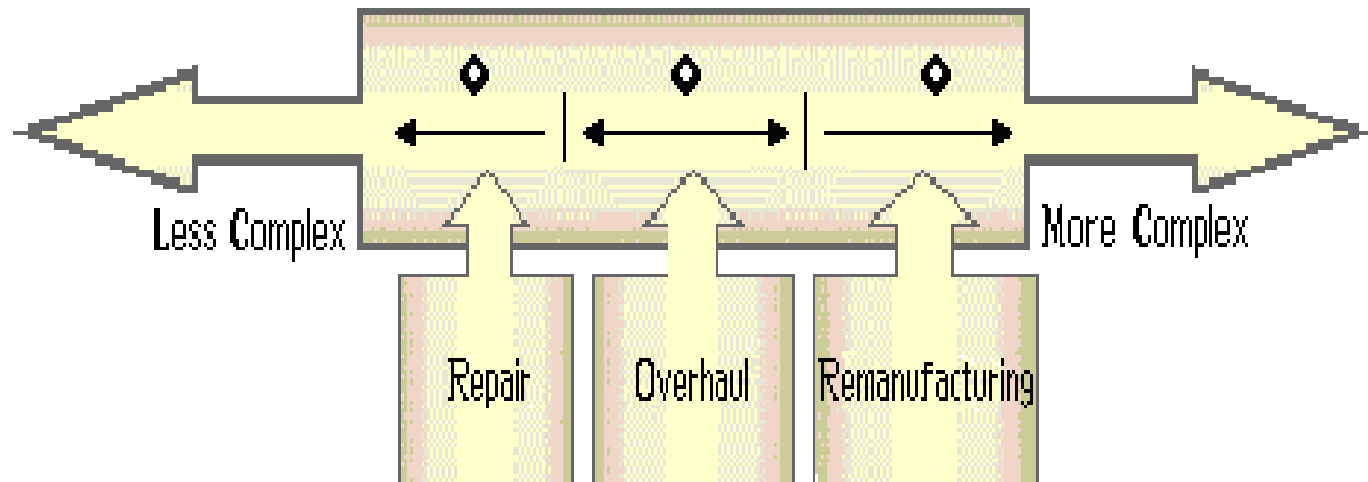
Service Myths - Repair...



Myth:

Repair overhaul maintenance remanufacturing mean the same and are the same process

Fact: Each of these processes has separate processes and criteria. It is a continuum from less complex to





Service Myths - Repair...



...Repair is the restoration of an item to serviceable condition through correction of a specific failure or unserviceable condition. In other words, repair is fixing a problem so that an item can work again. There are no guarantees about complete serviceability or like-new condition.

...Overhaul is the restoration of an item to a completely *serviceable* condition as prescribed by *maintenance serviceability standards*. An overhaul will allow the item to be fixed again and again and again, because overhaul is



Service Myths - Repair...



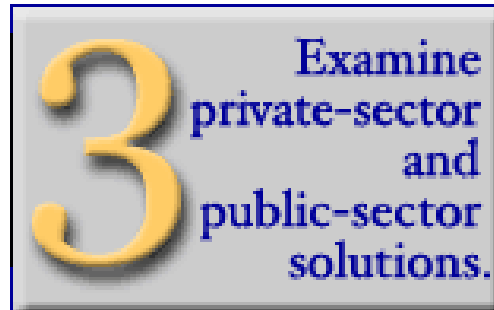
...Remanufacturing **MUST meet the criteria in FAR 22-1003-6(a)(1).**

Once overhaul/modification services become so extensive as to constitute manufacturing, they are called remanufacturing, and are subject to the Walsh-Healy Act.

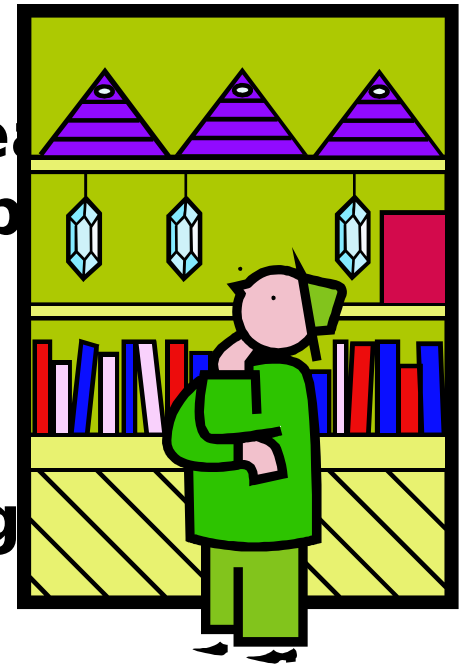
Usual stumbling block for an effort to qualify as remanufacturing is that the item is “restored to original life expectancy, or nearly so”.



Market Research



“ The ultimate goal of market research is to help the acquisition team members become *informed consumers*. Information derived from market research will help the acquisition team develop the optimum strategy for meeting the requirement.”



Performance Based Service Acquisition, a DoD Guide



Market Research



- **Take a team approach to market research.**
- **Spend time learning from public-sector counterparts.**
- **Talk to private-sector companies before structuring the acquisition.**
- **Consider one-on-one meetings with industry.**
- **Look for existing contracts.**
- **Document market research.**

ROLES AND RESPONSIBILITIES IN MARKET RESEARCH

“Since market research should address both business and technical considerations of a requirement, it requires the active participation of all acquisition team members as appropriate. These considerations might include technical approaches, common quality controls, contract structure, and standard industry terms and conditions. Therefore, when market research is being conducted, all members of the acquisition team should participate in their particular area of expertise.” DoD Guide



Develop a PWS/SOW or SOO

PWS/SOW

(Performance Work Statement)

Conduct an analysis.

Apply the "so what?" test.

Capture the results of the analysis in a matrix.

Write the performance work statement.

Let the contractor solve the problem, including the lab mix.

SOO (Statement of Objectives)

Begin with the acquisition's "elevator message."

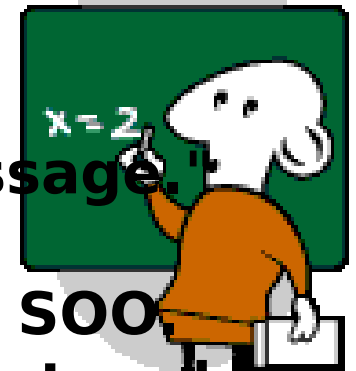
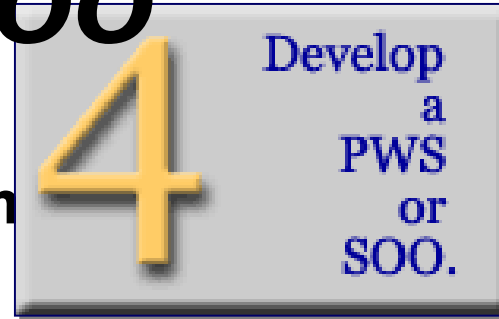
Describe the scope.

Write the performance objectives into the SOO.

Make sure the government and the contractor share objectives.

Identify the constraints.

Develop the background.





Develop a PWS/SOW or SOO

- **Define the desired outcomes:** *What must be accomplished to satisfy the requirement?*
- **Conduct an outcome analysis:** *What tasks must be accomplished to arrive at the desired outcomes?*
- **Conduct a performance analysis:** *When or how will I know that the outcome has been satisfactorily achieved, and how much deviation from the performance standard will I allow the contractor, if any?*

Defining the work

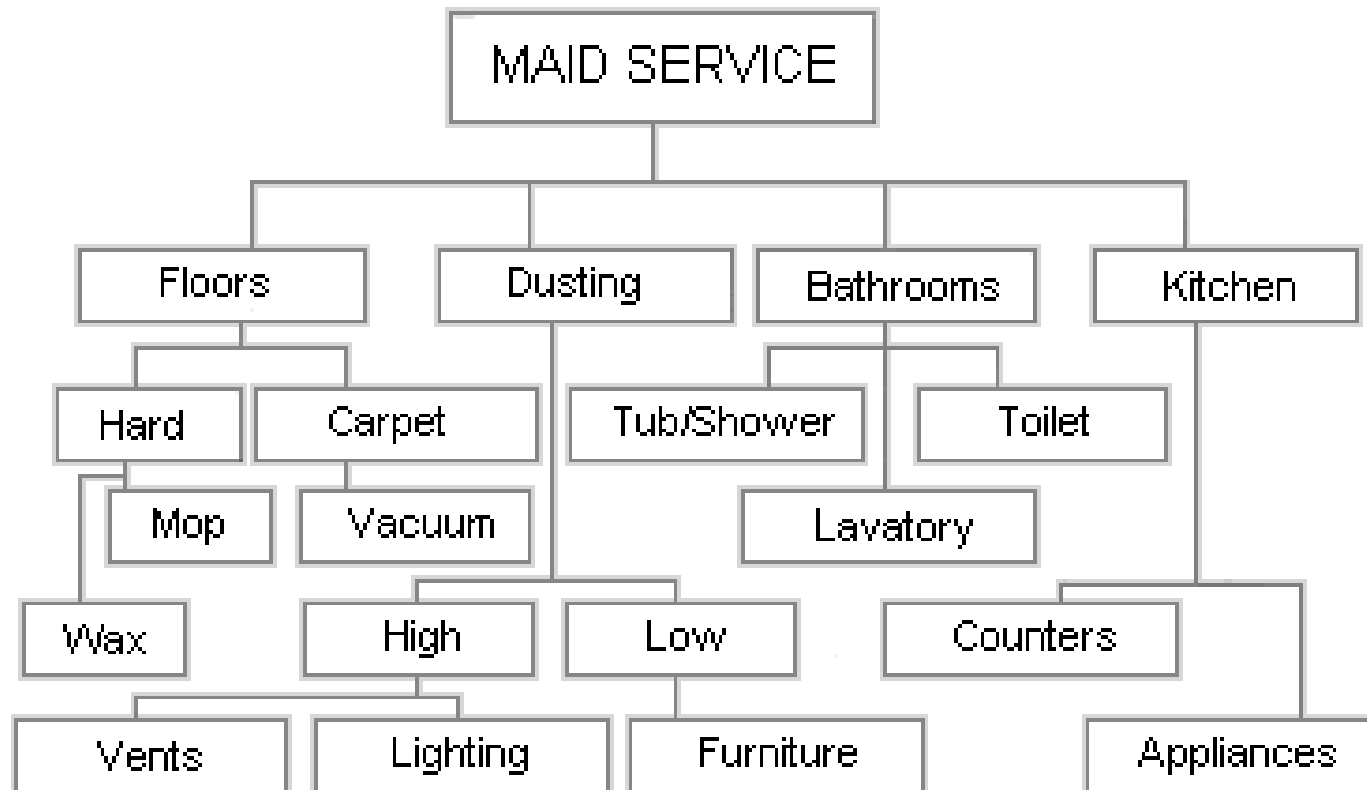
Work Breakdown Structure (WBS).

Outputs are clearly identified and can be separated from processes so the focus is on results. The inputs needed to get the job done are equally clear.

This information is great for proposal analysis, conducting a pre-award conference, and identifying Government-Furnished Property.

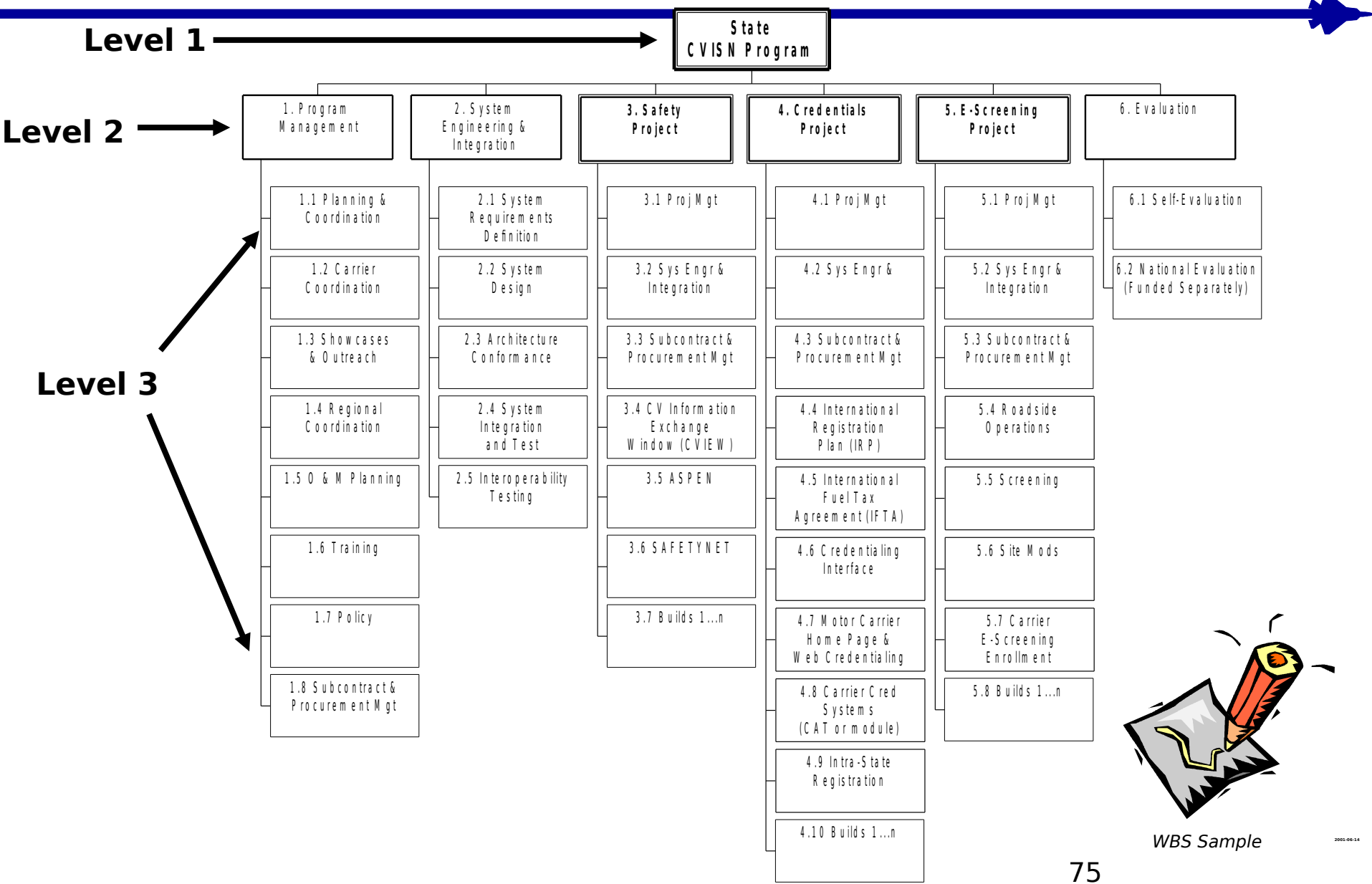


Develop a PWS/SOW or SOO





Typical WBS for a State CVISN Program





Outcomes

- Requires Performance Based PWS/SOW
 - **Requirements must be outcome based**
 - **Outcomes must be measurable**
 - **Contractor empowered to use best commercial practices and management innovation**

From: Specifying "How To"
C o n t i n u u m

To: Specifying "What"



PBSA SOW Examples - Yes, No, Maybe

1.0 The instructions stipulated are brief, concise statements providing general requirements for disassembly, cleaning, inspection, and repairing of F-108/CFM 56-2B/C Main Fuel Pump (MFP). The repair contractor will have the appropriate Commercial Maintenance Manual(s) (CMM), engineering drawings, BOM design changes, CFMI/CFM 56/Argo-Tech Corporation Service Bulletins and inspection/testing equipment to accomplish the repair of F-108/CMF56-2B/C MFP.

1.1 The item to be repaired will undergo an “as received” inspection to determine the serviceability or reparable condition of the MFP using CMM 73-11-11 (T.O. 6J10-4-89-13) or CMM 73-11-12.

1.5 Repair documents shall also include Temporary Revisions that have not been incorporated in affected CMM. For Engine Mishap Investigations the MFP, P/N's 708400-1 or 708400-2, would require an As-Received Inspection/Test and be returned without any repairs.



PBSA SOW Examples - Yes, No, Maybe



- Requires Performance Based SOW

3.1 Task 1. MESA/PD model Manager: The contractor shall furnish appropriately skilled labor for the management of the XYZ analytical tool called “The Model for Electronic Support and Attack” (MESA) and “Passive Detection” (PD). Duties include software engineering support (requirements solicitation and analysis, software design and testing, verification/validation), tool deployment support, and end user training/support. In this role the contractor shall make and be expected to make decisions regarding the design and functionality of the MESA and PD models for the government during performance. Deliverables include the following: “Requirements Definition Document” for use in the enhancement/sustainment program (A007)



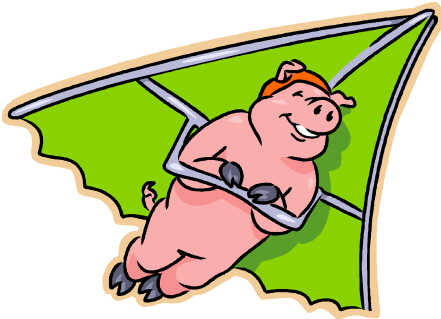


PBSA SOW Examples -

Yes, No, Maybe

- Requires Performance Based SOW

1.2.3.2 Experience. A minimum of six years experience working in fuels is required; three years in base level general fuels, and three years in a fuels managerial capacity. The contract manager shall have attended either the Fuels Mgt. Officer Course (C30ZR6421-000), or the Petroleum Logistics Mgt. Course (J3AZR2F091-001) or their commercial equivalents. If it is determined that school attendance would be of minimum benefit a waiver may be granted by the CO after coordination with the Functional Director (FD) and Quality Assurance Personnel (QAP).3.1



XXX The contractor shall have graduated from Harvard with a BS in Fuels Management.



PBSA SOW Examples -

Yes, No, Maybe



- Requires Performance Based SOW
- 2.1.3 Follow fuels safety guidelines IAW AFI 23-201. The service provider is solely responsible for compliance with OSHA standards and protection of service provider employees IAW AFI 91-301. See Section 1, for Safety Plan requirements.**
- 3.3.3 Requisition base procured investment equipment items after approval by the Resource Allocation Integrated Product Team and receipt of 3080 funds from MAJCOM IAW AFMAN 23-110, V2, PT2, Chapters 9 and 29.**
- 3.3.4 Utilize the windows MICAP (Mission Capable) Asset Sourcing System to obtain lateral support for expedite requirements when necessary to meet customer demands only when zero balance at the depot IAW AFMAN 23-110, V2, PT9 and V2, PT2, Chapter 9.**
- 3.3.5 Process local manufacturer requisitions IAW AFMAN 23-110, V2, PT2, Chapter 9.**





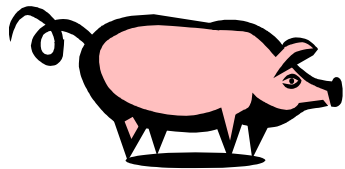
PBSA SOW Examples -

Yes, No, Maybe



- Requires Performance Based SOW

Preservation is accomplished only if required by technical orders listed below and only if directed by the ACO: Accomplish engine preservation in accordance with TO 1C-130B/H-2-4 or 1C-130(H)H-2-2 and 1C-130H-2-00GE-00-1.



Remove aircraft storage battery and SCNS battery if installed, store, and maintain as directed in TO 8D2-1-31 or TO 8D2-3-1.

Treat the aircraft as directed in TOs 1-1-17 and 1C-130A-17 when storage



PBSA SOW Examples - Yes, No, Maybe



- Requires Performance Based SOW



1.2.5.1. Process all requests for supplies and equipment and establish suspense control for requests IAW AFMCI 23-201, Chap 3. Date/time stamp all requests, perform quality control, verify request's validity, make sure the request has been reviewed, approved, and signed by the appropriate individuals in the requisitioning organization, and verify that a valid job order number (JON) is identified. Obtain additional information or resolve discrepancies if necessary or return the request to the initiator for additional information. If all information is correct, establish suspense control for the request and process IAW AFMCI 23-201, Chapter 3.

3.3.8 Process requisitions to satisfy emergency walk through requests for local purchase items IAW AFMAN 23-110, V2, PT2, Chapter 9.

3.3.9 Process and validate the Local Purchase MILSTRIP Research and Follow-up List (M37) IAW AFMAN 23-110, V2, PT2, Chapter 9 and AFM 177-206, Section 32.



PBSA SOW Examples -

Yes, No, Maybe

- Requires Performance Based SOW

Technical Objectives:

Provide robust IT infrastructure services for all operations, logistics and maintenance functions.

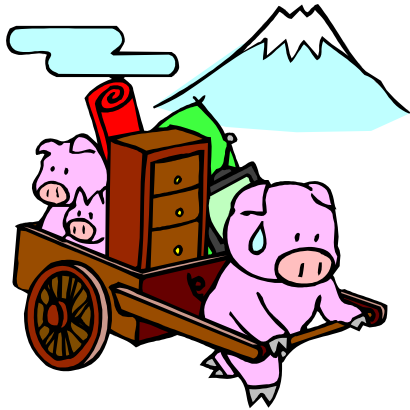
Provide system and network administration for all systems and applications located on the LANs.

Implement a single help desk/service center capability to coordinate all maintenance issues with all customers.

Implement life cycle management processes.

Implement system's engineering processes consistent with industry standards

Develop all IT infrastructure technical solutions, brief government program manager for approval, and implement solutions per approved parameters for cost, schedule and performance.





PBSA SOW Examples -

Yes, No, Maybe



- Requires Performance Based SOW

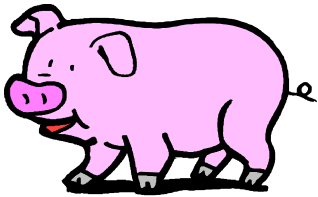
1.0Monitoring Software Systems: The Contractor shall: Provide minimal surveillance for Contract Profit Reporting and ConConnect.

1.1Contract Profit Reporting: The contractor shall: Provide support of a production contract profit reporting application (J010R) accessible through a commercial web browser (Internet Explorer). It uses an Oracle Data Base. The functionality shall include but is not limited to the following:

Ad hoc report generation from consolidated database to support our Customers.

Maintain the Production Web Application, responding to problems and Deficiency Reports (DRs).

Implement all enhancements that comply with Full Certification & Accreditation (C&A) and Command, Control, Computer, Communications





Measure and Manage Performance

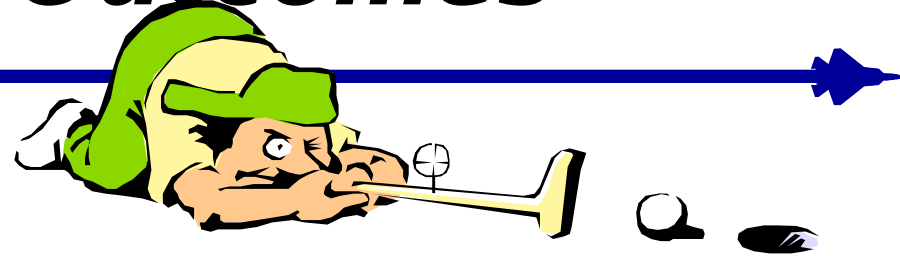


5 Decide how to measure and manage performance.

- **Review the success determinants.**
- **Rely on commercial quality standards.**
- **Have the contractor propose the metrics and the quality assurance plan.**
- **Select only a few meaningful measures on which to judge success.**
- **Include contractual language for negotiated changes to the metrics and measures.**
- **Apply the contract-type order of precedence carefully.**
- **Use incentive-type contracts.**



Measurable Outcomes



- Measurable Outcomes
SOW Para 1.1
 - Ad hoc report generation from consolidated database to support our Customers.
 - Maintain the Production Web Application, responding to problems and Deficiency Reports (DRs).
 - Implement all enhancements that comply with Full Certification & Accreditation (C&A) and Command, Control, Computer, Communications Information System Process (C4ISP).
- What is important in each of these requirements to you?
 - Timeliness, Accuracy, Cost, Customer interaction, “down time for the system/application”



Performance Standards

Acceptable Quality Level (AQL)

- What is important in each of these requirements
 - Timeliness, Accuracy, Cost, Customer interaction, “down time for the system/application”
 - How will I determine if the contractor is performing?

Performance Objective	SOW Para.	Performance Threshold	Method of Surveillance
Ad hoc report generation from consolidated database to support our Customers.	1.1	95% all reports are generated within three days Timeliness	Valid Customer Complaints for the reporting period



Performance Standards Acceptable Quality Level (AQL)

- What is important in each of these requirements to you?
 - Timeliness, Accuracy, Cost, Customer interaction, “down time for the system/application”
 - How will I determine if the contractor is

Performance Objective	SOW Para.	Performance Threshold	Method of Surveillance
Para 1.1 Ad hoc report generation from consolidated database to support our Customers.	1.1	95% all reports are generated without errors Accuracy	Valid Customer Complaints for the reporting period



Performance Standards

Acceptable Quality Level (AQL)

- What have I missed?

Performance Objective	SOW Para	Performance Threshold	Method of Surveillance
Ad hoc report generation from consolidated database to support our Customers	1.1	95% all reports are generated within three days Timeliness	Valid Customer Complaints for the reporting period
Ad hoc report generation from consolidated database to support our Customers	1.1	95% all reports are generated without errors Accuracy	Valid Customer Complaints for the reporting period



Performance Standards Acceptable Quality Level (AQL)

- What are the problems with this?
- What is the criticality

Performance Objective	SOW Para	Performance Threshold	Method of Surveillance
Maintain the Production Web Application, responding to problems and Deficiency Reports (DRs).	1.1		



Contractor Assessment

- **Tailor level of assessment to type and size of contract, kind of service, and contractor's own quality control plan**
 - Timeliness of surveillance
 - Method consistent with established guidelines
 - Surveillance folders up to date
- **Methods of assessment**
 - Trend Analysis
 - Periodic surveillance/inspection
 - Random sampling
 - Valid customer complaints and/or





Contractor Assessment

- **Methods of assessment**
(cont)
 - Third party audits/assessments
 - 100% inspection/surveillance



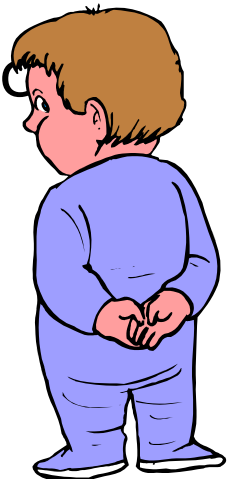


Remedies

- **Negative Incentives/Remedy**

MANDATORY

- Re-performance is preferred over fee/price reductions
- Procedures for reduction of fee/price required (minimally satisfied by an inspection of services or commercial inspection clauses)
- Past performance “report cards” should reflect actual performance and be used for future evaluations for award
- Increased Surveillance
- CPAR statements



One size doesn't fit all!!

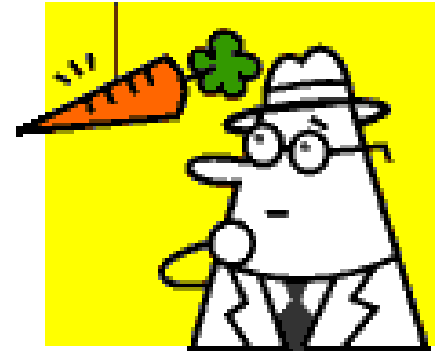


Incentives

- **Positive Incentives** as applicable

Don't have to be monetary

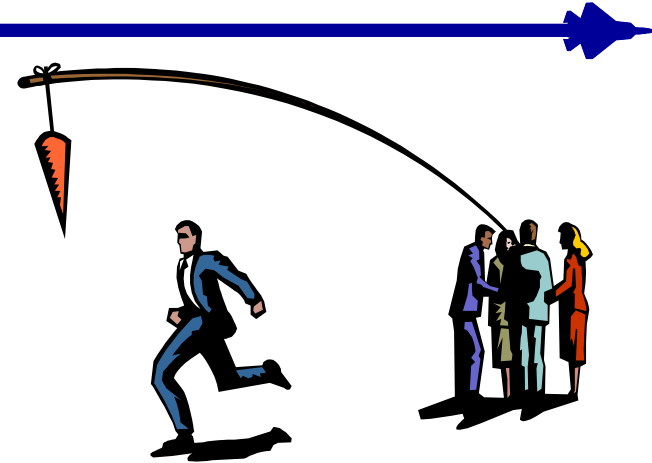
- Consider Award Fee and Award Term incentives
- Exercising of options
- Reduced surveillance
- Performance incentive (Bonus on a FFP contract)
- Past performance “report cards” should reflect actual performance and be used for future evaluations for award
- Newspaper article on merits of contractor
- Participation in enterprise type meetings





Incentives

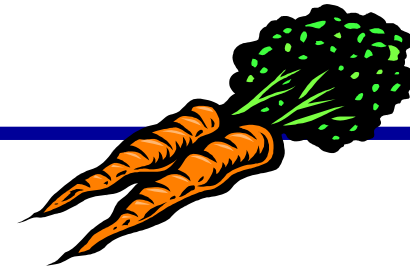
- **Positive Incentives (Con't)**
 - Strategic supplier alliances
 - Performance-based payments
 - Schedule incentives
 - Agency "supplier of the year" award programs
 - Competitive considerations
 - Share-in-share savings strategies
 - Letters of Commendation



One size doesn't fit all!!



Incentives



- **Positive Incentive Tips**

- Will enhanced performance provide additional value to the mission?
- Which areas of the requirement would benefit most from enhanced performance? Which areas do not need added incentives?
- How much is the agency willing to pay to achieve a level of performance beyond the performance standard? Is there a potential for using cost sharing?
- Do contractors within a particular industry prefer additional performance periods (award terms) in lieu of monetary incentives (award fees)?
- Is the incentive affordable? Will it affect timelines or schedules in a positive way? Adversely?



Select the Right Contractor



- Compete the solution.
- Use down selection and “due diligence”.
- Emphasize past performance in evaluation.
- Use best-value evaluation and source selection.
- Assess solutions for issues of conflict of interest.



Manage Performance



- Keep the team together
- Adjust roles and responsibilities
- Assign accountability for managing contract performance
- Add the contractor to the team at a formal “kick-off meeting”
- Regularly review performance in a Contract Performance Improvement Working Group.
- Ask the right questions.

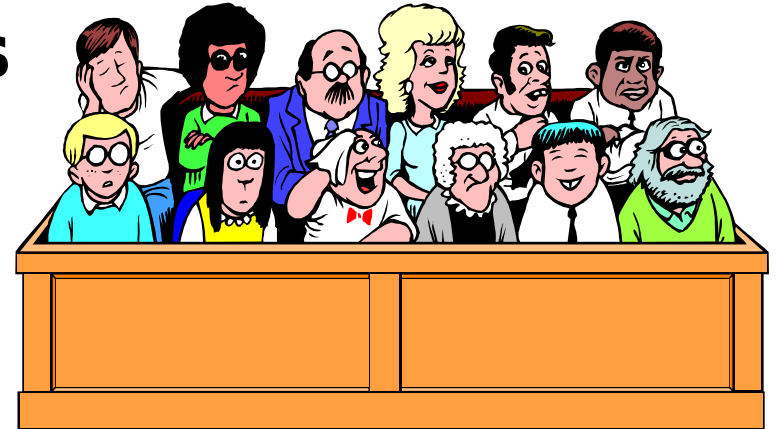




Important Extras

- **Governing regulations**

- AFI 63-124 PBSA
 - 01 April 99
 - 09 Feb 04
 - 11 Feb/Sep 04?
- AFI 63-125 Quality
- DoDI 3020-37 Essential Services



- **Documents**

- Old Awards: SOW, SDS, BRAG, QASP, Contractor Surveillance
- New awards: SOW, SDS, Multi-functional team, QASP/Performance Plan, Contractor Assessment
- **Proper Coding**



In Addition

- **Governing regulations**

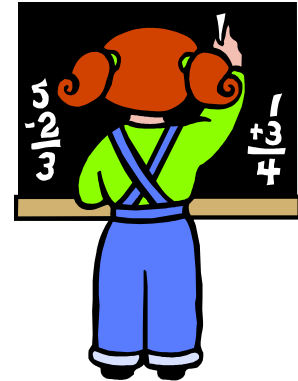
- AFI 63-124 PBSA

- April 99
- 09 Feb 04
- Sep 04?

Philosophy

- DoDI 3020-37 Essential Services
- FAR/DFARS etc

Change



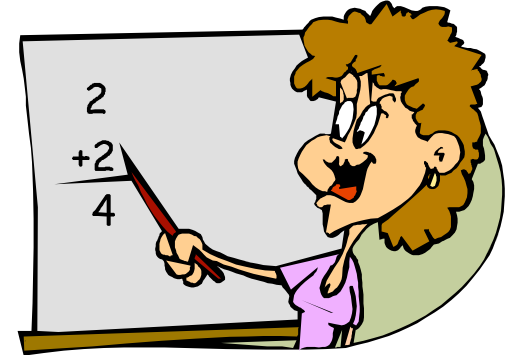


In Addition

- **Documents**

- Old Awards: SOW, SDS, BRAG, QASP, Contractor Surveillance

- Does it have to be PBSA?
- How do I bring it to PBSA requirements?
- What about competition?



- New awards: SOW, SDS, Multi-functional team, QASP/Performance Plan, Contractor Assessment

- **Proper Coding**

- Why important?

- **Inspections**

- What's important?



In Addition



- **Documents**

- Old Awards: SOW, Service Delivery Summary (SDS), Business Requirements and Advisory Group, Quality Assurance Surveillance Plan (QASP), Contractor Surveillance
 - Does it have to be PBSA?
 - How do I bring it to PBSA requirements?
 - What about competition?
- New awards: SOW, Services Summary(SS), Multi-functional team, QASP/Performance Plan, Contractor Assessment, AFIs/Regs



In Addition

- Performance Plan
- Purpose: Better oversight of Services Aqcs
- Definition: Performance Plan - “Prescribes the objective in having the services, the goals of the multi-functional team, team members and their roles and responsibilities (to include the contractor performing the service), and how the multi-functional team will assess contractor performance and manage the contract to obtain efficiencies, improved performance, and cost savings throughout its life cycle.” AFI 63-124
- 2 parts - Contract Mgt/Assessment
 - How do you know your contract is successful?
 - Contractor Mgt/Assessment (aka QASP)
 - How do you know your contractor is successful?





In Addition

- AFI 63-124 Requirement to be managed upon contract award (para **1.2.5.10.**) signed by members of the multi-functional team that identifies the following:
 - 1.1.4.1. The objective in having the service provided, i.e., to provide quality housing maintenance to military members.
 - 1.1.4.2. The results the multi-functional team is striving to achieve in managing the acquisition, i.e., cost savings, efficiencies, improved customer service.
 - 1.1.4.3. The multi-functional team members, and how roles and responsibilities are distributed among team members.
 - 1.1.4.4. The approach, methods and tools the multi-functional team will use to assess the contractor's.
 - 1.1.4.5. The approach, methods and tools the multi-functional team will use to manage the acquisition upon award.
 - 1.1.5. The metrics used to track contractor progress to meet stated performance objectives.
 - 1.2.5.10. Outline how the team will manage the contract upon award IAW paras **1.1.4.1., 1.1.4.2., 1.1.4.3., and 1.1.4.5.**





In Addition

1.2.6. Contracting Squadron Commanders, Chiefs of the Contracting Offices,

Developing a Government QASP that specifies how inspection and acceptance of services is to occur. This plan, tailored to the individual requirement, is put in writing for each delete blank spaces contract. The complexity of the plan should match the characteristics of the services. For example, a plan for a simple commercial service is generally less complex than one for a base operating support contract. Use documentation to capture past performance information.

A performance plan (IAW **1.1.4.**) may be used in lieu of a QASP.

Draft Guidelines, partially complete per Betsy Matich SAF/AOC CONTRACT MANAGEMENT:

What is a Performance Plan

- Delegating Contract Administration IAW AFI 63-124
- What is the Multi-functional teams role
- What the Performance Plan should include:
- Identify team members
- Distribution of roles and responsibilities among team members





In Addition

- Labor constraints identified, and tracking process

Transition

- Contractor in full operation of the service.
- Key personnel on-board. Contract fully staffed, correct skill mix, training scheduled. Correction Plan required.
- Transition Assessment: Transition within estimated budget. Transition period extended? Cost overruns, and overtime authorized.
- Transition IAW contractor's proposal. Positive or negative variations in cost, scheduled and/or significant performance metrics identified. Corrective action reports associated with negative variations.
- Labor constraints mitigated.
- AF and contractor agree on submittals, performance measurements, metrics, critical objectives. Approvals documented.
- Compare/review contractor internal assessments, the way ahead, unforeseen challenges, unresolved issues, etc.
- Readiness review assessment necessary/completed. Positive or negative variations in cost, schedule or significant metrics identified. Corrective action reports required with negative variations.
- GFP identified/transferred/inventoried.
- Transition lessons learned and best practices identified and documented. Corrective actions/plans identified, and tracking process.



In Addition

- Labor constraints identified, and tracking process

Transition

- Contractor in full operation of the service.
- Key personnel on-board. Contract fully staffed, correct skill mix, training scheduled. Correction Plan required.
- Transition Assessment: Transition within estimated budget. Transition period extended? Cost overruns, and overtime authorized.
- Transition IAW contractor's proposal. Positive or negative variations in cost, scheduled and/or significant performance metrics identified. Corrective action reports associated with negative variations.
- Labor constraints mitigated.
- AF and contractor agree on submittals, performance measurements, metrics, critical objectives. Approvals documented.
- Compare/review contractor internal assessments, the way ahead, unforeseen challenges, unresolved issues, etc.
- Readiness review assessment necessary/completed. Positive or negative variations in cost, schedule or significant metrics identified. Corrective action reports required with negative variations.
- GFP identified/transferred/inventoried.
- Transition lessons learned and best practices identified and documented. Corrective actions/plans identified, and tracking process.



For Additional Help

- **AQCP Tool KIT , Chapter 37, PBSA Center**
<http://www.safaq.hq.af.mil/contracting/affars/5337/library-5337-bsa.html>
- **AFMC/PKV Home page**
<https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/PK/pkv/index.htm>
- **AcqReform OFPP**
<http://www.arnet.gov/Library/OFPP/BestPractices/pbsc/home.html>
- **Air Force Civil Engineering Support Agency**
<http://www.afcesa.af.mil/CEO/>
- **AETC, Seven Steps**
<https://www.aetc.af.mil/lg/lgc/PBSA.htm>
- **Know Net, The Acquisition Superstore, PBSA**
<http://www.knownet.hhs.gov/acquisition/performDR/>
- **PBSA Special Interest Group, PBSA Manual**
<http://www.knownet.hhs.gov/acquisition/performDR/>



For Additional Help



- **NASA**
<http://ec.msfc.nasa.gov/hq/library/perfba.htm>
- **Defense Procurement and Acq Policy**
<http://ec.msfc.nasa.gov/hq/library/perfba.htm>
- **GOOGLE**
<http://www.google.com/>



Summary

- **Explained Seven Steps of PBSA**
- **Provided Examples**
- **Explained Issues**
- **Gave Suggestions**

